

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA : **CRIMINAL NO. 06-_____**
v. : **DATE FILED: _____**
JIAN SHUN RUAN : **VIOLATIONS: 26 U.S.C. § 7206(1)**
 : **(false tax returns- 3 counts)**

INFORMATION

COUNT ONE

(26 U. S. C. § 7206(1))

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. Defendant Jian Shun Ruan was President and an owner of Shun Jie Limited, Inc. ("Shun Jie"), a garment sewing business that was located in Philadelphia, Pennsylvania, at 1011 Arch Street until approximately 2002 and, then, at 128 N. 10th Street until approximately 2003.
2. Defendant Jian Shun Ruan controlled the operations of Shun Jie, which provided services as a sewing sub-contractor to large clothing manufacturers in the Philadelphia area and elsewhere. Payments for these services were primarily in the form of checks.
3. Defendant Jian Shun Ruan used a check cashing agency in New York City to cash certain checks from Shun Jie customers totaling approximately \$660,933 for calendar years 2000 through 2002. These cash receipts were not deposited into the corporate bank accounts of Shun Jie and were not otherwise recorded on the books and records of Shun Jie as business receipts. During 2002, the defendant also used the check-cashing agency to cash checks totalling

approximately \$313,064 made payable by Shun Jie to fictitious suppliers and subcontractors in order to inflate expenses related to the business.

4. Defendant Jian Shun Ruan used the pool of cash generated by cashing the above customer checks and fictional expense checks through the New York check casher to fund a payroll "off the books." Wage payments were made "under the table" to employees of Shun Jie totaling approximately \$954,517 for years 2000 through 2002. This resulted in unpaid federal employment and payroll taxes due and owing which totaled approximately \$146,041 as follows: \$53,864 for 2000; \$27,893 for 2001; and \$64,283 for 2002.

5. On or about February 28, 2001, in the Eastern District of Pennsylvania, defendant

JIAN SHUN RUAN,

a resident of Philadelphia, Pennsylvania, willfully made and subscribed a U. S. Corporation Income Tax Return, Form 1120, for Shun Jie Ltd., Inc. for the calendar year 2000 which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, on or about March 14, 2001, which return defendant Jian Shun Ruan did not believe to be true and correct as to every material matter in that the return reported gross receipts/sales in the amount of \$115,733 (Line 1c), and salaries/wages in the total amount of \$45,970 (Line 13), when, in fact, as defendant Jian Shun Ruan knew, Shun Jie Ltd., Inc. had gross receipts/sales in addition to that stated, and salaries/wages in addition to that stated.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWO

(26 U. S. C. § 7206(1))

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraph 1-4 of Count One are alleged as if fully stated.
2. On or about April 4, 2002, in the Eastern District of Pennsylvania, defendant

JIAN SHUN RUAN,

a resident of Philadelphia, Pennsylvania, willfully made and subscribed a U. S. Corporation Income Tax Return, Form 1120, for Shun Jie Ltd., Inc. for the calendar year 2001 which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, on or about April 11, 2002, which return defendant Jian Shun Ruan did not believe to be true and correct as to every material matter in that the return reported gross receipts/sales in the amount of \$124,340 (Line 1c), and salaries/wages in the total amount of \$28,282 (Line 13), when, in fact, as defendant Jian Shun Ruan knew, Shun Jie Ltd., Inc. had gross receipts/sales in addition to that stated, and wages in addition to that stated.

In violation of Title 26, United States Code, Section 7206(1).

COUNT THREE

(26 U.S. C. § 7206(1))

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraph 1-4 of Count One are alleged as if fully stated.
2. On or about September 5, 2003, in the Eastern District of Pennsylvania, defendant

JIAN SHUN RUAN,

a resident of Philadelphia, Pennsylvania, willfully made and subscribed a U. S. Corporation Income Tax Return, Form 1120, for Shun Jie Ltd., Inc. for the calendar year 2002 which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, on or about September 11, 2003, which return defendant Jian Shun Ruan did not believe to be true and correct as to every material matter in that the return reported gross receipts/sales in the amount of \$783,754 (Line 1c), and salaries/wages in the total amount of \$79,504 (Line 13) and expenses in the amount of \$477,418 (Line 26), when, in fact, as defendant Jian Shun Ruan knew, Shun Jie Ltd., Inc. had gross receipts/sales in addition to that stated, salaries/wages in addition to that stated, and business expenses substantially less than the amount stated.

In violation of Title 26, United States Code, Section 7206(1).

PATRICK L. MEEHAN
United States Attorney
Eastern District of Pennsylvania